

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

March 22, 2012

PUBLIC SESSION

A monthly meeting of the Board of Directors (the "Board") of the Small Business Loan Fund Corporation (the "Corporation") was held in public session at the offices of the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on March 22, 2012, scheduled for 2:00 p.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty, Mr. William Parsons, Mr. Richard DeMerchant and Ms. Leslie Taito.

The following Director(s) were absent: Mr. Thomas Stocker.

Also present were: Sean Esten, Corporation Administrator, Adam Quinlan, Corporation Staff, Dan Price, Corporation Staff, Stacy Farrell, Corporation Secretary, Susan Morgan, Corporation Administrator, Earl F. Queenan, Managing Director of Financial Services, Christopher Cannata, Corporation Staff, Denise Barge, Corporation Staff and Paul Harley, Legal Counsel, Moses & Afonso, Ltd.

Mr. Fogarty presided over the meeting.

1. Call to Order.

Mr. Fogarty called the meeting to order at 2:09 p.m.

2. Approval of the Minutes of the Meeting held on February 2, 2012 and February 23, 2012.

The first item to come before the Board was approval of the Public Session Minutes and the Executive Session Minutes of the Board meetings held on February 2, 2012 and February 28, 2012. Upon motion duly made by Mr. Parsons and seconded by Ms. Taito, the motion to approve the Public Session Minutes and the Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Parsons, Mr. DeMerchant and Ms. Taito.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. Stocker.

3. Maintain the Executive Minutes of the February 23, 2012 meeting as Confidential.

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on February 23, 2012. Upon motion duly made by Mr. Parsons and seconded by Ms. Taito, the motion to maintain the confidentiality of the Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Parsons, Mr. DeMerchant and Ms. Taito

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. Stocker.

4. Report of Cash Position as of February 29, 2012.

Mr. Queenan asked if there were any questions or comments regarding the Cash Report for the period ended February 29, 2012 (Exhibit A). There being none, there was no further discussion on this report.

5. Delinquency Loan Report as of March 13, 2012.

Mr. Queenan asked if there were any questions regarding the Loan Delinquency report dated March 13, 2012 (Exhibit B), or the notes from the Delinquency subcommittee meeting which took place on March 14, 2012 (Exhibit C). There was no discussion regarding these items.

6. Recommended Charge-Offs

Staff presented the recommended charge-offs which were outlined in a memorandum dated March 16, 2012 (Exhibit D). Mr. Fogarty asked for a motion to approve the recommendation. Upon a motion made by Mr. Parsons and seconded by Mr. DeMerchant, the motion to approve the recommended charge-offs as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Parsons, Mr. DeMerchant and Ms. Taito

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. Stocker.

7. Status discussion of Directors and Officers (D&O) Insurance

Mr. Fogarty asked that this discussion be tabled until the entire Board was present for the discussion.

Executive Session

Mr. Fogarty suggested that the Board move into executive session. Upon motion duly made by Mr. DeMerchant and seconded by Mr. Parsons, the motion to move the meeting into executive session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Parsons, Ms. Taito, and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. Stocker.

Public session concluded and executive session began at 2:11 p.m.

Ms. Taito left the meeting during executive session, after the discussion of Providence Specialty Products.

8. Executive Session Vote Ratification

Mr. Fogarty called for ratification of the votes adopted during Executive Session. Upon motion duly made by Mr. Parsons and seconded by Mr. DeMerchant, the following votes were ratified:

- (a) To approve the request from Providence Specialty Products for a \$250,000 loan.
- (b) To approve the request from T&C Woodworking Inc. for a \$250,000 loan.
- (c) To table the request from Avtech for a \$150,000 loan for additional information.

The following Directors voted in favor of the foregoing: Mr. Parsons, Mr. Fogarty and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. Stocker and Ms. Taito.

9. Other Business

Staff noted that the next regularly scheduled meeting of the SBLFC Board taking place on April 26, 2012 is being moved to April 27, 2012 at 9:30 a.m. due to a scheduling conflict for staff.

There being no further business to come before the Board, Mr. Fogarty called for a vote to adjourn the meeting. Upon motion duly made by Mr. DeMerchant and seconded by Mr. Parsons, the motion to adjourn the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Parsons, Mr. Fogarty, and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. Stocker and Ms. Taito.

The meeting was adjourned at 2:47 p.m.

Respectfully submitted,

/s/ Stacy Farrell
Stacy Farrell, Secretary

G:\DATA\WPDATA\SBLFC\ADMINISTRATION\2012\March 2012\SBLFC Public Minutes (March 2012).doc